



---

# SAN DIEGO HOUSING COMMISSION

# MINUTES

---

**SAN DIEGO HOUSING COMMISSION  
MINUTES OF THE REGULAR MEETING  
MAY 5, 1997  
CITY ADMINISTRATION BUILDING  
202 C STREET, 12TH FLOOR  
SAN DIEGO, CALIFORNIA**

**Attendance: Present: Chairman Arthur, Commissioners Macias, Nottley, Akili and Oxberry. Also present were: Ms. Elizabeth C. Morris, Executive Director and Charles Christensen, General Counsel. Absent: Commissioners Dick and Tumminia.**

10 CALL TO ORDER

Chair Arthur called the meeting to order at 9:13.

20 PUBLIC COMMENT

Mr. Mel Shapiro inquired about the status of the 1st and 2nd Quarter Program Progress Status Reports.

30 COMMISSIONER COMMENTS

Ms. Macias requested a status report on the Fulton Street project.

Ms. Morris reported that the property will be completed and ready for occupancy in June.

40 REPORT BY THE EXECUTIVE DIRECTOR

50 APPROVAL OF THE MINUTES

MOTION BY MACIAS TO APPROVE THE FOLLOWING MINUTES:

Approval of the Minutes of January 31, 1997.

Approval of the Minutes of April 14, 1997.

Approval of the Minutes of April 21, 1997.

SECOND BY AKILI.

MOTION CARRIED UNANIMOUSLY ON A 4-0 VOTE WITH TUMMINIA, DICK AND OXBERRY BEING ABSENT.

ADOPTION AGENDA - CONSENT

MOTION BY AKILI TO APPROVE THE FOLLOWING ITEMS ON CONSENT:

100 HCR 97-061 - Revised Utility Allowances for Public Housing Units (Citywide)

**Recommendation:** It is recommended that the Housing Commission accept and approve for use the revised Utility Allowance Schedule (contained in the staff report) for Public Housing residents.

101 HCR97-042 - Waiting List Implementation Plan and Budget Revision (Citywide) - Continued from April 21, 1997 Commission Meeting.

**Recommendation No. 1:** Approve the Implementation Plan outlined in Attachment 1 of the staff report for the Waiting List's "Job Training/Looking for Work" preference.

**Recommendation No. 2:** Approve the \$31,425 budget revision for funding the cost of updating the waiting list, which is an increase of \$7,425 over the estimated cost of \$24,000 submitted in the November 18, 1996 Housing Commission Board Report.

102 HCR97-040 - Loan to City Heights Community Development Corporation for the Acquisition and Rehabilitation of 3604 Van Dyke Avenue (Council District 3)

**Recommendation:** Recommend Housing Authority approval of two loans to City Heights Community Development Corporation (City Heights CDC) in the cumulative amount of \$287,500 for the acquisition and rehabilitation of a 7-unit property located at 3604 Van Dyke Avenue and the authorize execution of loan documents in a form acceptable to the Executive Director and General Counsel, to reflect the terms and conditions outlined in the staff report.

103 HCR97-058 - Award of Construction Contract for Various Improvements at the University Canyon Housing Development (Council District 5)

**Recommendation:** Recommend that the Housing Authority award a construction contract to the lowest responsive bidder Stevens Construction, in the amount of \$399,776, for various improvements at University Canyon located at 2052-2090 Via Las Cumbres with a ten percent contingency (\$39,977) to address potential change orders for items not anticipated and identified in the original scope of work. Authorize the Executive Director to execute the contract (Attachment 1) and expend the contingency.

104 HCR97-069 - Award of Contract for Counseling Services for the "Section 8 Housing Counseling Program" (Citywide).

**Recommendation:** Recommend Housing Authority approval the award of a multiple year contract to the Fair Housing Council of San Diego and authorize the Executive Director to execute the attached contract (Attachment 2).

SECOND BY MACIAS.

MOTION CARRIED UNANIMOUSLY ON A VOTE OF 4-0, WITH DICK, TUMMINIA AND OXBERRY BEING ABSENT.

ADOPTION AGENDA - ACTION AGENDA

Mr. Oxberry arrived and was present for the remainder of the meeting.

106 HCR97-65 - TRUSTEE'S SALE: 4316 -4322 Delta Street (Council District 4)

Mr. Steve Mikelman presented the staff report on this item.

Mr. Akili requested clarification as to how the property in question for which a rehab loan had been granted could be in the condition it is presently.

Mr. Mikelman responded that the property had been rehabbed, but that it has been poorly maintained. Mr. Mikelman also indicated that the Commission does not currently have a procedure to perform regular site inspections on its loan portfolio properties, except on those which are funded through HOME funds. However, staff is currently developing a procedure to ensure that drive-by or on-site inspections take place periodically.

Mr. Oxberry asked if the recommendation outlined in the staff report was the only option.

Mr. Christensen responded that the Deed of Trust has a waste provision in it which the Commission could use to constitute a default under the terms note and Deed of Trust and to either move to have a Receiver appointed judicially or to declare default and go forward with a nonjudicial foreclosure.

Mr. Christensen also indicated that this loan predates the Commission's current procedure which grants the Commission the right to 1) require that property such as these are upgraded and kept up to Housing Quality Standards and 2) require that a Property Manager be on site for larger properties and 3) demand the Property Manager be removed under certain circumstances.

Ms. Morris reported that General Counsel intends to file a Complaint for Deficiency Judgement and it is anticipated that most, if not all, of the funds loaned to be recovered.

Chair Arthur commented that the Commission has taken a much more aggressive position regarding enforcement of regulations for programs we administer. In addition, we will pursue any and all legal remedies available to it when loans due and payable are in default.

MOTION BY AKILI THAT THE TRUSTEE'S SALE PROCEED WITHOUT HOUSING COMMISSION PARTICIPATION.

SECOND BY OXBERRY.

MOTION CARRIED UNANIMOUSLY ON A VOTE OF 5-0, WITH DICK AND TUMMINIA BEING ABSENT.

#### CLOSED SESSION

Mr. Christensen announced that pursuant to Government Code, Section 54956.8(a) and 54954.5(b) that the Housing Commission met in Closed Session to discuss the following items:

- I. Conference with Legal Counsel - existing litigation, pursuant to California Government Code Section 54956.9(a):

- a. San Diego Housing Commission, a public agency, and Housing Authority of the City of San Diego, a public agency, vs. Shell Oil Company, a Delaware corporation; Household Manufacturing, Inc., a Delaware corporation; Wallace Murray Corporation, a Delaware corporation, U.S. Brass Corporation, a Delaware corporation; Elijer Manufacturing, Inc., a Delaware corporation; Western Plastic & Rubber Company, dba Wesflex Manufacturing, a California corporation  
San Diego Superior Court Case No.: 695574

THIS ITEM WAS TAKEN AS AN INFORMATION ITEM ONLY. GENERAL COUNSEL DISCLOSED THAT THE HOUSING COMMISSION HAD ENTERED INTO A SETTLEMENT AGREEMENT AND THE SETTLEMENT AGREEMENT WOULD BE AVAILABLE FOR REVIEW AT THE COMMISSION'S PUBLIC INFORMATION OFFICE.

- b. Beal Bank, S.S.B., a Texas banking corporation, v. Palm Vista Apartments, a California Limited Partnership; Daniel H. Appel, general partner; and Does 1 through 100, inclusive  
San Diego Superior Court Case No.: 702683

THIS ITEM WAS TAKEN AS AN INFORMATION ITEM ONLY. NO ACTION WAS TAKEN.

- c. San Diego Housing Commission, a public agency, v. Stephen F. Todd, an individual; Marilyn A. Todd, an individual; William G. Greene, an individual; Kathleen A. Greene, an individual; Ronald D. Hammett, an individual; and Does 1 through 20, inclusive  
San Diego Superior Court Case No.: 696057

ON A VOTE OF 5-0, WITH DICK AND TUMMINIA BEING ABSENT, DIRECTION WAS GIVEN TO GENERAL COUNSEL.

- d. San Diego Housing Commission, a public agency, v. 2106 K STREET Venture, a general partnership; Zahav Properties, Inc., a California corporation; Gemma U.S.A., Inc., a general partner; Geoffrey Levy, an individual; John M. Reardon, an individual; William D. Ready, an individual; Silvergate Investments, Inc., a California corporation; Larry G. Liston, an individual; Sue Liston, an individual; Frank Miceli, an individual, The State of California, a public body; City of San Diego, a public agency; and Does 1 through 20, inclusive  
San Diego Superior Court Case No.: 707519

ON A VOTE OF 5-0, WITH DICK AND TUMMINIA BEING ABSENT,  
DIRECTION WAS GIVEN TO GENERAL COUNSEL.

- II. Conference with Legal Counsel - anticipated litigation, pursuant to  
Government Code Section 54956.9(b):

1 matter

ON A VOTE OF 5-0, WITH DICK AND TUMMINIA BEING ABSENT,  
DIRECTION WAS GIVEN TO GENERAL COUNSEL TO NOT INSTITUTE  
LITIGATION.

- III. Conference with Labor Negotiator - pursuant to California Government Code  
Section 54957.6:

Agency Negotiator: Elizabeth Morris and/or Ron Novello for the  
San Diego Housing Commission

Employee Organization: Social Services Union, Local 535, SEIU, AFL-CIO

ON A VOTE OF 4-0, WITH AKILI ABSENT AND ABSTAINING DUE TO A  
POTENTIAL CONFLICT OF INTEREST, DICK AND TUMMINIA BEING  
ABSENT, STAFF WAS DIRECTED TO CONTINUE WITH NEGOTIATIONS.

**ADJOURNMENT**

Chair Arthur adjourned the meeting at 11:15 a.m.

Respectfully submitted,

Approved by,

Rob Albrecht  
Administrative Assistant

Elizabeth C. Morris  
Executive Director

**Signature Available with  
Original Document**